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CHEAP MONEY FOR FARMERS

A Measure Which Will Solve the Farmers' Financial Problems.

Speeches by the Premier and The Provincial Secretary in Its Support.

Hon. Mr. Turner in moving the second reading of the bill for the Encouragement of Trade and Agriculture by the Establishment of Mutual Credit Associations, said: The house is familiar with the procedure that has been adopted in regard to the measure now before it. It was referred to the committee, the duty of which was to report on existing systems, and the report of that committee has been submitted, and although I have not had time to read it, I believe it contains a good deal of information of a useful character, but without any special recommendations as to the course that should be followed or the policy that should be adopted in regard to the main problem. With regard to the bill now to be considered, some difference of opinion may exist as to details, but the principle is one that will commend itself to the favor of the house and so far as we can judge by the expression of opinion in the country it is

GENERALLY APPROVED.

Some of the amendments recommended by the special committee and other new amendments will be introduced in committee. In this connection I am free to state that we are not yet in a position to judge of how far it may be successful in operation. It introduces a new feature in finance on this continent, and while somewhat similar systems have worked well in Europe, we must wait for a time to ascertain what changes may be necessary to fully adapt it to the conditions which obtain in this province. These things must work themselves out

in practice, and therefore the measure however well considered must to some extent be experimental. The advocates of cheap money in this province have had in view mainly the lending of money by the government to farmers to redeem mortgages carrying a high rate of interest, and the committee, I observe, has adopted the view that in the formation of banks the payment of existing mortgages on farm property should be a primary consideration. The government, however, looked at this matter from a

STANDPOINT OF GENERAL UTILITY.

and has endeavored to frame a measure which would extend its benefits to a much greater number of persons. The primary object is not in our opinion to relieve that portion of the community which has overburdened itself with debt so much as to assist the community generally in obtaining money for purposes of development. This is, what I understand is the object of the credit associations wherever they have been established. Those who are in debt by making the conditions as favorable as possible are enabled by industry and care to get out of it as speedily as possible; but, sir, if it were assumed that the object were mainly to enable the government to go into the money-lending business in order to ease mortgagors, I do not think the government would be justified in entertaining it at all. Moreover, the benefits would be limited to a comparatively few, whereas under the pres-

ent system proposed every member of the community, provided he is honest and industrious and intelligent, may be benefited to some extent. It is a policy of development calculated to assist

THE STRUGGLING SETTLER

as well as every other class of the community, in reproductive efforts—in adding new wealth to the province. The working of this system is better explained in the model rules accompanying the bill, and I might state that these are based on the recommendations of Wolff, the great authority of Europe, on the subject, and who has made a practical and deep study of its operations. Mr. Wolff is a great friend of Mr. Chamberlain and an adviser on financial and economic questions. These rules have been before the house for some time and it will be scarcely necessary to explain them. The system is one of co-operative credit. Farmers and others—and the membership is not necessarily limited to farmers, but may include small traders and artisans—combine their credit and pool their assets and then lend to each other according to the wants and security each can afford, taking into consideration as well the general character for honesty, industry, sobriety, etc., of each applicant. The system

PLACES A PREMIUM

on the virtues without which no community can be permanently successful. The key to the system is the local board of directors, who being personally acquainted with the circumstances, conditions and character of each applicant, can best determine the extent of credit to be given. As these directors, who naturally will be the most prominent and reputable men in the community become personally liable for the loans they advance they will exercise the greatest possible care. Practically under the system as it is intended to carry it out every individual will be liable for about $2\frac{1}{2}$ times the amount of his shares. In Germany, where the system has had the most successful exemplification there is unlimited liability attached to membership, but it is thought in this country it would be a bar to many farmers joining and it is not necessary for safety. In addition, however, to the general committee there is an independent committee of audit and for still greater security the government will exercise supervision by means of its auditor over every transaction of the association. Before the government agrees to guarantee the debentures of an association it will fully satisfy itself that the margin of real and personal

SECURITY IS AMPLE

and that in every case the money will

be properly applied. The whole success of the system will depend upon economy and rigor of administration, just as in the case of a regular bank and it will be the duty of the government to see that the administration is good or otherwise to stop further credit. The idea of the government is that the system, which is undoubtedly a good one and which combines all the best features of existing systems of co-operative credit, should be attempted in a small way, and to enlarge the sphere of operations as its success is demonstrated. The public generally and farmers especially must be educated to the requirements of the system. It would be a fatal mistake to attempt to introduce a measure of this character on too large a scale at first. There are many directions in which, however, the government through the medium of such associations may be able to benefit farming communities, and particularly in the undertaking of their land which is really one of the most important of farming operations, and in

THE CLEARING OF LAND.

Farmers, by a system like this, could join together and purchase stumping machines, borrowing money for the purpose through the association by furnishing of course sufficient security for the purpose. Such methods as this would be of tremendous advantage in British Columbia, where clearing land and drainage are so important. To do work of this kind is of much greater benefit to the province than to lend individuals money to redeem mortgages. There may be some difference of opinion as to the character of the security which should be accepted. This is a matter in which the board of management can exercise a wide range of discretion. They may accept first mortgages on land, liens on personal property, notes of hand, or collateral security of any kind such as is accepted by the regular chartered banks. Their main consideration, however, will be that the security is in every way ample for the loan. A man may only require 50 or 100 dollars for a temporary purpose. For this his personal credit may be considered ample, or a note of hand endorsed by one or two of his friends would necessarily form a part of the security. In any event the committee of audit and

THE GOVERNMENT AUDITOR

will exercise supervision on the subject of security, and demand an increased security where considered necessary for safety. In connection with this matter I may say that the rules which will be promulgated under the act will cover a

multitude of details which it has not been considered necessary to place in the act itself, and when these are published it will be seen that the government has taken every necessary precaution in the premises, and as the credit of the government is to some extent at stake in undertaking what has been considered by many a very bold and forward movement it has not accepted the responsibility involved without taking into careful consideration and providing for the possible exigencies that will arise under its operations. The passing of this bill by the house will be of great assistance to agriculture. The very fact of having some means of bringing the farmers together is desirable, for it would serve to give them common interests and to teach them the value of co-operation in other things as well.

COL. BAKER.

Hon. Colonel Baker said: If the bill which is now before the house matures into such a form as to bring financial relief to the farmers of British Columbia it will, I think be one of the most important measures which has ever been passed by the legislative assembly. But, sir, we must not blind ourselves to the fact that the subject is surrounded by many complications as well as difficulties and it is well to look them straight in the face to analyze the nature of the case; to compare it with pre-existing circumstances in other countries and with the remedies which have been applied—yes, and successfully applied—for the amelioration of agricultural districts in past times. We know that, notwithstanding the fact that our very existence is dependent upon the cultivation of the soil, the pursuit of agriculture carries with it smaller profits than almost any other branch of industry, and it is therefore the least able to bear the heavy strain of a high rate of interest upon the capital invested in it. Yet the position of three-fifths of the farmers in British Columbia to-day may be fairly described as follows: When the introduction of international gold mon metallism brought down the level of prices and produced the wave of commercial depression which flooded the civilized world during the past decade, the farmers of British Columbia were forced to mortgage their farms at about half their mean value and at a high rate of interest. But, sir, the level of prices continued to fall and with it the value of real estate, which dropped to fifty per cent. of its value at the times the mortgages were contracted, so that the position of most of the farmers in British Columbia to-day is this—their properties are mortgaged to the full

extent of their value at a high rate of interest while the prices of the products from their farms have fallen considerably. The result of such a combination of adverse circumstances can be expressed in one word—ruin—and the question arises as to what remedy can be found to relieve the farmer from the burden which is crushing him and to place him in a healthy financial position so that his natural energies may expand for the benefit of himself as well as the community at large. In order to fully understand the position and the remedy to be applied to it we must fall back upon experience and the legislation which has been enacted in other countries for the amelioration of agricultural distress in past times and to do this we must go back to what may be called the grandfather of agricultural loans—the institution of

THE BANK OF SCOTLAND

in the year 1695—a time when banking was in its infancy in Great Britain, for it was unknown in that country prior to 1640. It was a period when the commercial interests of the British race were expanding and vivifying into active operation and the institution of the Bank of Scotland brought about a novel and important change in the system of banking because whereas generally speaking a customer lends money to a bank and receives interest upon it, the Bank of Scotland inverted this and lent money to the customers and charged him interest upon it and it did this with accommodation paper of its own bank notes which it was allowed to issue to an unlimited extent. The bank lent out money in this way at a very low rate of interest and repayable by easy instalments to almost any one who could find two well known as sureties—or “cautioners” as they were called—as to the integrity, industry and thriftiness of the borrower. Why, Mr. Speaker, such was the temerity of this bank that it actually had the hardihood to lend out money on the personal security of lawyers! but mark you, only to young lawyers, before they had become case-hardened. So after some years it came about that there were tens of thousands of these sureties or cautioners scattered over Scotland whose duty and interest it was to watch over the honesty and thriftiness of thousands of borrowers and this produced a most beneficial effect upon the national character. Now, sir, some idea may be formed of the

MAGNITUDE OF THESE LOANS.

on personal security when I state that one branch of the bank alone in the course of twenty-one years lent out ninety millions sterling in its own bank notes and the only loss it sustained through these extended transactions—and by losses I do not mean on profit and loss account, but the only amount which was not faithfully repaid out of this enormous sum of ninety millions sterling was twelve hundred pounds,

and I think this speaks volumes for the character of the Scottish people, and, indeed, were I not an Englishman, I would be a Scotchman. Now, sir, the question may very pertinently be asked: what was the security for the enormous amount of these loans in paper money? Well, sir, the Bank of Scotland looked upon a healthy, active, honest and thrifty young man as a human machine, whose energies, when properly applied either directly or indirectly to the soil—the mother of us all—could produce annual profits far in excess of the interest and sinking fund attaching to the loans—and the experience of the Bank of Scotland proved that it was right. But when the energies of the human machines were applied directly to the soil then the security became greatly enhanced and therefore the bank lent largely and freely to the farmers of Scotland, and this has been the primary cause of the success of the agricultural industry throughout the length and breadth of that country for the last two hundred years. I feel convinced that this action on the part of the Bank of Scotland was

THE SUGGESTIVE GERM

which afterwards gave birth to the Land Bank of Europe and it may be profitable to glance at the history of these land banks and the mode of their administration. In the year 1756 during the Seven Years' War there was terrible distress in the agricultural industry throughout the greater part of Europe, and especially so in Prussia and Austria. The farmers in those countries had their farms mortgaged up to the full extent of their value and were paying as much as thirteen per cent interest—in fact their position was very similar to that of most of the farmers in British Columbia in the present day. Such was the prospective ruin that various schemes were devised to remedy it, but they were all of them failures through faulty organization and mal-administration. At last one Buring, a Prussian merchant, conceived the idea of a land bank. By his system the farmers were to associate themselves together and pool all their properties into the land bank, which on its part issued accommodation paper in the form of land bank bonds bearing three and a half per cent. interest with a small sinking fund added. With these land bank bonds the bank bought up the mortgages on the farms and not only so but lent them out to the extent of half the amount of the improvements effected upon the farms after the mortgages were paid off.

THE FIRST OF THE LAND BANKS.

was started in Silesia in the year 1770 and it proved such an unqualified success that the system spread over the whole of Germany and eventually made its way into France, and these banks are in existence during the present day. It has been found that the value of these land bank bonds as a security has been maintained in Europe in a remarkable degree notwithstanding the numerous crises which have occurred whether monetary or through revolutions or through war. For example, during the revolutionary period of 1848 when the Prussian funds fell to 63 the land bank bonds in the same country only fell to 96—thus showing the confidence which was felt by the money market in this paper money

backed as it was by land under cultivation. But, Mr. Speaker, we must not lose sight of the fact that the case of the farmers of British Columbia is hardly a parallel one with that of the farmers of Europe. In the latter case the farmers are wedded to the soil on which they live—their fathers and forefathers have lived there before them; all their traditions, habits and associations are anti-migratory, while the farmers in British Columbia are, comparatively speaking,

NEW COMERS IN A NEW COUNTRY.

They have no traditions binding them to the soil; they have numerous temptations to invest their labors, and what little capital they can scrape together in speculative undertakings; they are, in fact, plunged into the stream of a floating population and are carried away by it and they cannot therefore offer the same security which can be given by a more stable community. Hence the care and caution which will be necessary in taking up mortgages on farms in British Columbia and in lending money on improvements either through private associations or by state guarantees. It is evident that these loans cannot be placed upon a business basis except upon the good character of the farmers and also on the farms upon which the loans are made. There must be a fair ratio between the land under cultivation and the amount of the loan. The land bank system interposes between the lender and the borrower the credit of either an association or a state and it is our duty as a state to take every precaution that we have ample security for the credit we offer. But when I say this I wish it to be understood that we do not feel any cause of anxiety about overcoming the difficulties which undoubtedly exist—difficulties were only created in order to be overcome, and the seriousness of the case demands our earnest endeavors to master it. All that is required is care and caution in making the loans. We must not rush the process, but look closely into every case and judge it upon its own merits. The bill which is now before the house will at all events give the government a tentative power to make a commencement. I believe that under this bill or its amplification and with intelligent administration we can bring to bear upon the farmers of British Columbia the incentives to thriftiness and the stimulus of hope which through the medium of the Bank of Scotland has worked such splendid results upon the agricultural interests of that nation. And, sir, if we can do this, if we can relieve the farmer from the demoralizing burden of an irreducible debt, if we can place him on a fair field for fighting his battles in the struggle for existence, if we can observe the reflection cast upon our enterprise by the fact that notwithstanding the possession of a splendid climate and a bountiful soil we still import three-fourths of our annual food supply and foolishly drain away our wealth by the annual payment of hundreds of thousands of dollars in the form of duty to a foreign state—if, I say, we can accomplish all these reforms by this bill then the house will be entitled to great credit and we can rest assured that we deserve the good will of our country. I therefore wish every success to the second reading of the bill. (Applause.)

A MOST IMPORTANT MEASURE.

(Colonist, April 16, 1898.)

The measure submitted to the legislature providing for cheap money for farmers and other members of the community is one of the most important presented by this or any other legislative body in Canada—in fact it is the only legislation of the kind which has as yet been attempted in Canada.

As a proposed solution of the problem of cheap money it is an ambitious and we must say a well considered one. The principle involved is not a new one by any means, although new to this continent. The system of agricultural credit banks or associations, for which it makes provision, have been developed with a very great degree of success in Germany, Italy, France and other European countries, and are now taking root in Great Britain and Ireland. They have also been established under government auspices in the presidency of Madras, India. The measure now before the legislative assembly of British Columbia, while an adaption of the best features of these agricultural credit associations as worked in various countries under various systems, is largely original, being conceived with special reference to the conditions which exist in this province.

The fundamental principle of the bill is

CO-OPERATIVE EFFORT

of the farmers and trades themselves. The government does not lend to the farmers as individuals but to the community as a whole. The whole credit of the members of the association being the security of the government, thus doing away with the very obnoxious feature of government assistance direct to individuals. The government deals only with the associations, the entire management and control of the affairs of the association being in the hands of a committee of management and an auditing committee.

Stringent conditions are enforced for the proper carrying out of the objects of the bill, and every possible precaution has been taken to provide against loss to the province.

Along with the bill a set of model rules and regulations have been submitted to the house, not for enactment, but in order to indicate on general lines the regulations which will be put in effect by the Lieutenant-Governor in Council, to whom this duty belongs.

BRIEFLY OUTLINED

the system is this: any number of farmers or traders of a community of 25 or more members, may form themselves in

to an association, paying an entrance of five dollars each, and subscribing to a certain number of shares, the number of shares to be proportionate to the amount which a member may reasonably be supposed to become good for in case he is called upon. The membership fees are, as paid in, deposited with the government to the credit of the member and draw interest, accumulating to the credit of the member. The fund so formed is not called into requisition except in case of the failure or part failure of the association to pay its liabilities. In case of a member withdrawing he is entitled to a refund with a premium. No amount of the shares is necessary to be paid up, they simply stand as a guarantee to the government, much in the sense of a promissory note that the member will pay the amount of the shares subscribed in case of an emergency.

Every share carries with it a double liability so that the government is thoroughly

WELL PROTECTED.

against risk of loss.

The association borrows money on the aggregate value of its shares, by issuing debentures at say 3 or 3½ per cent., which may be guaranteed by the government. The association loans out the money to its members, taking into consideration for security personal worth, industry, and assets, real and personal. Under this system the productive earnings of a man, together with his general character and standing in the community, as to honesty, industry and intelligence will constitute part of his general credit much as it does in ordinary banking circles.

The modus operandi of the associations is shown fully in the model rules and regulations submitted with the bill. There is

A MANAGING COMMITTEE.

to whom all applications for loans must be made, and each application is considered upon its own merits, for instance: If a man wants money to buy stock with or agricultural machinery or to underdrain his land, or clear or carry on any of the ordinary operations of his farm, he may apply to the managing directors, who meet once or twice a month to consider such applications. The managing committee must satisfy themselves of three things, first, that the member is personally and in character and surety offered good security for the amount loaned; second, that he absolutely requires the loan and that the expenditure will be beneficial and reproductive; third, that the money loaned will be applied in the most useful and economical manner.

THE OBJECTS

for which loans may be obtained may be indicated as follows:

- (a.) Drainage, which is the substructure of farming;
- (b.) Clearing of land;
- (c.) Purchase of stock and implements;
- (d.) Fences and buildings;
- (e.) Co-operative dairying, etc.;
- (f.) Any other reproductive work or expenditure approved of by the association.

The safety of the system consists in this fact, that the managing committee, being personally responsible with all other members for all loans, will exercise the greatest care in regard to the loans made, and being in every case neighbors of those to whom money is loaned, they can exercise a greater care than they otherwise could.

In addition to the committee of management there is a committee of audit consisting of six members, who may investigate the affairs of the association and examine the books at any time. In addition to this again the affairs of the association are subject to the scrutiny of the government auditor, who may at any time intervene and prevent an improper working of the system.

The system will not help those farmers who are hopelessly in debt, nor will it pay off

MORTGAGES ON FARMS.

which are mortgaged beyond the security which a farmer can offer, but it will make the conditions of farming so easy that the profits with industry and intelligence will enable a farmer to get out of debt and place him in a position of independence. It will enable many new settlers and others with small assets to obtain money in small amounts for certain specific purposes of improvement at a low rate of interest which they could not otherwise obtain, and fifty or a hundred dollars is very often an amount which stands between a struggling man and success. It is contemplated that associations who borrow money at three or three and a half per cent. on the credit of the government may lend out to applicants at four and a half and five per cent. as the case may be, providing for a margin of profit to cover expenses, sinking fund, losses, etc. It is also contemplated that these associations may

RECEIVE DEPOSITS

from members allowing the current rate of interest at which debentures are floated upon the same, thus in time as the associations prosper the deposits alone may create a large fund for the use of the association. There are no dividends

to members; all profits go to a reserve fund for the general purposes of the association and can never be drawn upon except to indemnify the guarantors, or in case of an association liquidating or ceasing to exist.

Under similar systems in continental countries associations have started with a dozen members and a capital of fifty pounds or so, and to-day number their members by hundreds of thousands, with millions more carried to the reserve fund. The losses have in every case been insignificant and the advantages are apparent in the immense resources of wealth which exists in the continental powers among the farmers, which in capital and production really represent the great strength of these powers.

The measure is based on

HALF A CENTURY OF EXPERIENCE,

and is essentially on the soundest economical basis, depending for its success upon personal credit, industry and intelligence and co-operation.

By it the government practically says to the farmers: "We cannot lend you money on mortgages, or deal with you individually, because it is contrary to the first principles of government and liable to gross abuse; but if you show your confidence in each other, and become liable for each other by pooling security, we are willing to deal with you as a community and lend you money on communal credit. In other words, we are willing to help you if you will help yourselves by showing your confidence in each other, and in the ultimate success of your own occupation.

This, we think, is a sound and logical position for the government to assume, throwing, as it does the onus of assistance on those who require to be helped, and inciting a spirit of enterprise and stimulating effort by placing a premium upon those virtues of an agricultural community which alone can lead to success.

REMARKS ON THE COMMITTEE'S REPORT.

(The Colonist, Sunday, May 8, 1898.)

The bill is the culmination in this province of the agitation for what is popularly known as "cheap money." The committee referred to having reported on the several systems in vogue in New Zealand, India and on the Continent, the government will make good its intentions in this matter. Practically speaking the finding of the committee is in favor of the bill, although its recommendations are of a negative rather than a positive character. The body of the report contains a large amount of infor-

mation to which the committee has had access regarding the money systems of other countries, yet it would be difficult to say what really it is specifically in favor of. Several amendments of a minor character are referred to as desirable. We think, however, the committee has somewhat misapprehended the object of the bill, when it recommends for the consideration of the government that in the formation of banks the payment of existing mortgages on farm property should be the primary consideration.

So far as our reading goes and as we understand the several systems of land banks, credit associations and government aid, in only one place has the recommendation of the committee had effect. In New Zealand the government borrowed a large sum of money which it lends directly to farmers for the purpose of paying off mortgages carrying a high rate of interest and substituting others at a low rate. The systems generally have in view

A DIFFERENT OBJECT.

namely, the development of the agricultural industry on the lines of co-operative action, in which the paying off of debts of the farmers is but a small factor, and one only incidentally considered, and we think that the government of British Columbia should carry out such a policy instead of lending its credit in the way indicated by the committee as desirable. We do not say that it is not a laudable object in itself to provide money at a cheaper rate for farmers who may wish to redeem their present mortgages, but we do contend that it is not one of the legitimate functions of government. The formation of banks as contemplated by the bill is for the purpose of a bringing between the government and the people an independent association by which it will be only possible for the government to lend to communities as a whole. The association being made up of members whose personal liability is always at stake, the local board of directors will naturally exercise the greatest amount of care as to the loan effected, and will scrutinize very carefully the credit of every person making application, thus protecting the government credit fully.

IT IS NOT CONTEMPLATED

that the associations should lend large sums of money, at first at least, but that the ordinary wants of the farmer should be supplied as occasion demands at the lowest possible rate. It is contemplated, too, that the money borrowed shall be for purposes of development, and no form of borrowing should be encouraged which cannot be made reproductive. It

is therefore a policy of development rather than one of state aid that has been entered upon by the government, a policy which places a premium upon honesty, industry and intelligence, and one which will stimulate farmers to join their forces and effect by co-operation what would not be possible by individual efforts. The government would not be justified in lending money to individuals, because any such system must lead to favoritism and abuse and would be liable to land the government in bankruptcy before many years. It is a system which cannot be defended and is contrary to sound political economy, but when a community approaches the government

IN A CORPORATE CAPACITY,

and pledges the whole of its credit in a way which indicates in the most practical manner confidence in the honesty and integrity of each of its members the government can with good grace and very properly lend its credit to such a community. Under such a system of co-operation, one cannot readily imagine what can be accomplished in the development of our resources, in fact, by the successful operation of credit associations all the problems which affect the farmer, such as the clearing of land, underdraining, dairying, irrigation, cold storage, etc., etc., are solved at once. The only thing which the government must see to in inaugurating a policy, which is perhaps the most advanced that has been undertaken in any part of the British Empire, is that the associations are properly administered from the start. By the strict rules which it proposes to enforce and the rigorous supervision which is provided for in the act, there seems to be every reason to believe that this will be the case. However, it is a system in which farmers and others

REQUIRE CAREFUL EDUCATION,

as it is one from which at the outset they will naturally expect a great deal. The public must be led to understand, that as, the system is an experiment and on trial for the first time on the continent of America, it devolves upon every member of the community as well as upon the government to avoid abusing a great opportunity which exists for the general benefit. A mistake at the outset would go very far towards jeopardizing the cause of cheap money, not only in this province, but in the whole of Canada. On the other hand, if the farmers are prepared to accept the system in the spirit in which it is framed and will go cautiously forward endeavoring to protect their own and the government's credit, the system may be developed in-

to one of great magnitude and one possessing immense advantages. It is one which, if carried out successfully, will revolutionize the condition of affairs in this country.

CO-OPERATION AND CREDIT BANKS.

(Colonist Editorial.)

The keystone of success nowadays in farming is co-operation. All the rest of the world is combined in some way to meet the altered conditions. In farming alone is individual effort left to struggle as a survival of a former system in which individualism was supreme. With telegraph, transcontinental railways and fast steamship lines, it is no longer possible to control trade and commerce and industry except by union of forces and combination of capital in which it is now no more man against man, or company against company, but country against country. It is wonderful, but no less true that the price of wheat does not any longer depend upon local supply, but upon the amount for export in India, Russia or the Argentine Republic. By the force of electricity and collective news agencies the supply of bread stuffs is ascertained and

THE PRICE FIXED.

long before the farmer has reaped his harvest. This condition is sometimes varied by such contingencies as war, drought, famine, flood or other unlooked for cause, but for the average of years the statement is a true one. The farmer as an individual can no more alter or control the price than he can fly to the moon. In nine cases out of ten he cannot hold over because he is in need of cash, and if he could afford to do so the effect of his operations would not be a drop in the ocean.

Until farmers can by a system of co-operation create a reserve fund of sustenance and resistance sufficiently large and general to affect the market as an offset to the manipulation of the stock jobber and dealer, this condition of things must exist. It is yet a long way off, but it is the ultimate goal. There is a time coming when the farmers unitedly may be able to have some say in the price of their own products.

CO-OPERATION IS THE ROAD

which leads to it.

The American Agriculturist in a recent issue says:

"Co-operation is the German farmer's stronghold and bulwark and he means to stand by it," is the concluding sentence of an official report on agricul-

ture in Germany. True co-operation is followed extensively in that country in buying needed supplies; in the disposition of agricultural produce; in disposing requisite credit and in making loans. It has greatly aided the German farmer in his fight against agricultural depression at home and strong competition from abroad. With each succeeding year co-operative effort among our own farmers should attain higher ground, so that with earlier mistakes eliminated greater mutual good will come with this shoulder to shoulder harmony of progress.

The above refers to the Agricultural Credit Associations upon the principle of which more or less the bill now before the provincial legislature is based.

Co-operation to be practical must not be merely a sentiment. It must for cohesion have the material basis of

DOLLARS AND CENTS.

Money is the recognized ruling force of the world. We cannot get away from that fact, whether we think it right or wrong. We must face the truth as it is. The force of large capital in few hands must be met by the union of smaller capital in many hands. That is the solution of the social problem.

That is the principle of what is known as the "Cheap Money Bill." To lend money at a low rate to individual farmers for the redemption of mortgages carrying a high rate, if it were perfectly safe and practicable would be good undoubtedly. It would confer individual benefits and would tend to lower the general rate of interest, but it would not be economically sound. In the older countries, the experience of which counts as years to days in this province, co-operation has been found to be the remedy which best meets the requirements of all classes, and in those countries, too, paternalism and government control in other respects have been carried beyond anything that has been dreamed of in America. The principle of deemed of in America. The principle of individual assistance to farmers is

OPPOSED TO CO-OPERATIVE EFFORT.

and would place insuperable obstructions in the way of its development. Let farmers understand that it is only by sinking their differences and dropping their jealousies, in other words, that to unite means dollars and cents to them, and placing confidence in each other they can succeed, and the difficulty that many foresee in the operation of the Agricultural Credit Associations will vanish quickly.